



Minnesota Housing eNews Alert

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Mortgage Loan Program, MBS Program Policy Changes

The chart below summarizes the more significant program changes and compares the current Mortgage Loan Program to the new Mortgage Loan Program, MBS. The Mortgage Loan Program, MBS includes the Minnesota Mortgage Program (MMP), Community Activity Set Aside (CASA) program, and the Homeownership Assistance Fund (HAF). U.S. Bank Home Mortgage - MRBP Division will act as Master Servicer for the Mortgage Loan Program, MBS.

These changes will take effect for loan commitments made on and after September 1, 2009, the implementation date for the new program.

Complete program guidelines can be found within the [Mortgage Loan Program, MBS Program Manual](#).

Current Mortgage Loan Program	New Mortgage Loan Program, MBS
Suspended purchase of conventional insured loans	Qualifying conventional insured loans eligible for purchase by the Master Servicer, U.S. Bank Home Mortgage – MRBP Division
Qualified Homebuyer Education required for all CASA borrowers and MMP borrowers using MyCommunityMortgage® or Home Possible® loan products	Qualified Homebuyer Education required for all CASA borrowers and all conventional loan borrowers
Manufactured Housing meeting Minnesota Housing and loan product guidelines is an eligible property type	Only manufactured housing meeting Minnesota Housing and loan product guidelines financed with FHA, VA or RD loan products is eligible
Fannie Mae EA Level I and Freddie Mac A-eligible levels I and II purchased under CASA	Freddie Mac A- levels I and II are no longer eligible for purchase under CASA. Fannie Mae EA Level 1 remains eligible for purchase
Conventional loan manual underwriting option for Fannie Mae and Freddie Mac	Conventional loan manual underwriting option for Fannie Mae only
Available mortgage terms of 15, 20, 25, and 30 years	Available mortgage terms limited to 15 or 30 years
Loan commitment terms: <ul style="list-style-type: none"> Existing Homes: 60 days New Construction: 100 days Two 30-day extensions allowed for 0.500% each Lock runs from the commitment date on HDS SF Web Application to purchase approval 	Loan commitment terms: <ul style="list-style-type: none"> Existing Homes: 75 days New Construction: 115 days Two 30-day extensions allowed for 0.500% each Lock runs from the commitment date on HDS SF Web Application to receipt of the purchase package by the Master Servicer
Loan purchase hold fees: none	Loan purchase hold fees: <ul style="list-style-type: none"> 2 weeks to clear purchase conditions at no charge 0.125% a week until purchased starting with week 3
HAF loan lender compensation of \$150	No HAF loan lender compensation
Minimum FICO score determined by loan product and mortgage insurance	Minimum FICO score of 620 for all HAF loans
Lender renewal fee of \$1,000 - \$2,500	Lender renewal fee of \$500
MI companies limited to United Guaranty and Genworth	All Fannie Mae/Freddie Mac approved MI companies allowed.
Minnesota Housing private mortgage insurance coverage requirements apply	Fannie Mae and Freddie Mac private mortgage insurance coverage requirements apply

Mortgage Loan Program, MBS Process Changes

Under the Mortgage Loan Program, MBS (which includes MMP, CASA and HAF) lenders sell closed loans to the Minnesota Housing Master Servicer, U.S. Bank Home Mortgage- MRBP Division. Prior to training, please review the U.S. Bank Lending Manual available on All Regs.

Link to U.S. Bank Web Page:

[U.S. Bank Home Mortgage - MRBP Division \(see US Bank Lending Manuals\)](#)

****Please note:** The library contains the U.S. Bank Lending Manual contents that apply to all Housing Finance Agency Programs, including Minnesota Housing. Items specific to Minnesota Housing programs only are found under *Housing Finance Authority, Minnesota, Minnesota Housing Finance Agency*. Please review both.

Mandatory MBS Program Training - Meet your new business partner and get ready to do business

Representatives from our newly selected Master Servicer, US Bank Home Mortgage - MRBP Division, along with Minnesota Housing staff, will train our lender network on the new program and process changes in August. **PLEASE NOTE:** Lenders must be prepared to send at least one person to one training session in order to continue to do business with Minnesota Housing under the new Mortgage Loan Program - Mortgage Backed Securities. Although only one person is required, it is highly recommended that any staff working with Minnesota Housing loans attend the training.

Who should attend this training?

- Managers, Loan Officers, Processors, Loan Specialists, Underwriter, Closers, Post Closers, Shippers, and Final Documents Staff will all benefit from this training.
 - At the training, attendees will be able to meet the new business partners, learn about program changes and the new process of selling loans. There will also be time for detailed Q&A.

[Register online](#) for a training session August 12 or during the week of August 17-21.

Non-MBS Trainings Available:

For lenders committing loans under the MMP and CASA Programs, HOME HELP I and HOME HELP II during the month of August and require current Minnesota Housing program training, Minnesota Housing will be offering final technical assistance sessions for these programs on Tuesday, August 4. Please note: the MMP and CASA training is for loans committed through August 31, 2009.

[Register for MMP/CASA Technical Assistance](#)
[Register for HOME HELP I and II Technical Assistance](#)

For lenders committing loans on and after September 1, 2009, you must also register for an [MBS training session](#).

Questions?

For training registration questions, please contact:
Stacy Bray at 651.296.8276, or stacy.bray@state.mn.us

For questions on the MBS program, please contact:
Kimberly Stuart at 651.296.9959 or kim.stuart@state.mn.us